



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 3, 2006

Daniel G. Elcan
Managing Member
P.O. Box 8328
Mobile, AL 36689

Re: Request to Move Stockpiled Ore, Oil Shale Exploration Company, LLC (OSEC),
White River Oil Shale Mine, Uintah County, Utah

Dear Mr. Elcan:

The Division received your request to load and transport previously mined oil shale from the BLM's White River Oil Shale Mine stockpile. The request asked to not call removing stockpiled oil shale mining. By definition stockpiles are considered a part of mining operations.

R647-1-106. Definitions.

"Land affected" means the surface and subsurface of an area within the state where mining operations are being or will be conducted, including, but not limited to: (a) on-site private ways, roads, and railroads; (b) land excavations; (c) exploration sites; (d) drill sites or workings; (e) refuse banks or spoil piles; (f) evaporation or settling ponds; (g) **stockpiles**; (h) leaching dumps; (i) placer areas; (j) tailings ponds or dumps; (k) work, parking, storage, or waste discharge areas, structures, and facilities. Land affected does not include: (x) lands which have been reclaimed in accordance with an approved plan or as otherwise approved by the Board, (y) lands on which mining operations ceased prior to July 1, 1977, or (z) lands on which previously exempt mining operations ceased prior to April 29, 1989.

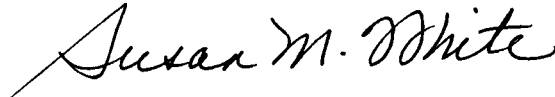
However, the Division will allow a one time exemption for moving the stockpiled oil shale based on the following understanding of the conditions.

- OSEC is an applicant for a 160 acre oil shale Research Development & Demonstration BLM lease.
- Approximately 1000 tons of oil shale will be removed from the stockpile;
- The removal of material and stabilization of the stockpile will be directed by BLM in accordance with the Environmental Assessment (EA UT-080-05-242, Finding of No Significant Impact signed June 20, 2005).
- The moved oil shale is owned by the BLM and will be available to interested parties.
- The removal of the material will not increase the reclamation liability if done in accordance with BLM Environmental Assessment.

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Daniel G. Elcan
OSEC
August 3, 2006

If you should have any further questions or comments concerning this request or mine permitting in Utah please do not hesitate to contact Paul Baker at (801) 538-5261 or myself at (801) 538-5258.

Sincerely,

A handwritten signature in black ink that reads "Susan M. White". The signature is written in a cursive style with a long, sweeping underline.

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

Cc: Bill Stringer, BLM Vernal Area Field Manager
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